



Control Number: 51812



Item Number: 27

Addendum StartPage: 0

PROJECT NO. 51617

OVERSIGHT OF THE ELECTRIC
RELIABILITY COUNCIL OF TEXAS

§
§
§

2021 FEB 25 PM 5:00
PUBLIC UTILITY COMMISSION
OF TEXAS
FILING OFFICE

PROJECT NO. 51812

ISSUES RELATED TO THE STATE OF
DISASTER FOR THE FEBRUARY
2021 WINTER WEATHER EVENT

§
§
§

PUBLIC UTILITY COMMISSION
OF TEXAS

REQUEST FOR EMERGENCY ACTION

COMES NOW, Pattern Energy Group LP ("Pattern Energy") requests that the Public Utility Commission of Texas ("Commission") enforce its February 15, 2021 Order and instruct the Electric Reliability Council of Texas, Inc. ("ERCOT") to remove the administrative price adders that set prices to \$9,000/MWh from the time the firm load shed instruction from ERCOT was reduced to zero on the grid. Pattern Energy further agrees, in part, with the February 19, 2021 *Emergency Request to Enforce Commission Order* filed by the Texas Energy Association of Marketers ("TEAM"). Pattern Energy is a generation resource developer, owner, and operator in ERCOT, and elsewhere, and is an active participant in the ERCOT market, and appreciate the Commission's actions in the wake of this severe weather event and continue to support the Commission and the ERCOT market.

Although we commend the Commission and ERCOT for its actions to address last week's emergency situation, we want to express our broad dissatisfaction with the handling of the market during and after last week's weather and outages event. In the coming days, we will gather more information about the market outcomes and impacts, and consult with other similarly situated market participants, to provide additional information to the Commission's attention about these

concerns. In the meantime, we wanted to share our concerns with one issue in particular, as further outlined below. Further comments from Pattern Energy will be forthcoming.

In support thereof, Pattern Energy shows as follows:

I. Discussion

On February 15, 2021, the Commission adopted an Order instructing ERCOT to set the Real Time Settlement Point Price at the high offer cap (“HCAP”) when there was firm load-shedding on the grid.¹ In that Order, the Commission stated that “as long as customer load is being shed, scarcity is at its maximum, and the market price for the energy needed to serve that load should also be at its highest.”² The Commission further concluded that “adjustments are needed to ERCOT prices to ensure they accurately reflect the scarcity conditions in the market. Accordingly, the Commission directs ERCOT to ensure that firm load that is being shed in EEA3 is accounted for in ERCOT’s scarcity pricing signals...”³ During the morning hours of February 18, 2021, ERCOT rescinded all load shed instructions, however, it failed to simultaneously return to scarcity pricing mechanisms under the Commission’s rules and ERCOT Nodal Protocols. Subsequently on February 19, 2021, TEAM filed an *Emergency Request to Enforce Commission Order*. Furthermore, on February 24, 2021, during the ERCOT Board Meeting, Bill Magness confirmed the timing of the end of load shed and stated that the free market would have had enough capacity to meet curtailed demand.

Pattern Energy agrees with TEAM’s assertion that ERCOT rescinded all load shed instructions early in the morning of February 18th, however, it failed to simultaneously return to

¹ The February 15, 2021 Order was later replaced by an order on February 16, 2021, however the changes made on February 16, 2021 do not impact the request here.

² Order at 1.

³ *Id* at 2.

scarcity pricing mechanisms under the Commission's rules and ERCOT Nodal Protocols. We further agree with TEAM's request that the Commission enforce its February 15, 2021 Order and instruct ERCOT to remove the administrative price adders that set prices to \$9,000/MWh from the time the firm load shed instruction from ERCOT was reduced to zero on the grid. We agree with TEAM that immediate action is necessary to avoid irreversible harm, including collateral harm. While we are not challenging ERCOT's specific declaration of EEA3, we believe the timing when load shed ceased should be the determining factor here and that after that time, the System Wide Offer Cap was kept artificially high.

II. Conclusion

Pattern Energy appreciates the Commissions actions during this devastating time for the state of Texas. While the state recovers, we urge the Commission to consider how to mitigate further damage and respectfully requests the Commission immediately instruct ERCOT to remove the administrative price adders that set prices to \$9,000/MWh from the time the firm load shed instruction from ERCOT was reduced to zero on the grid. We further urge the Commission to direct ERCOT to correct prices consistent with this Order back to 1:05 am on February 18, 2021, the time ERCOT removed the firm load shed instructions to the transmission and distribution utilities. We urge the Commission to take these actions as they are necessary to mitigate irreparable financial damage.

Date: February 25, 2021

Respectfully submitted,

s/Kevin Devlin

Kevin Devlin
SVP, Operations
Pattern Energy Group LP
1201 Louisiana St., Suite 3200
Houston, Texas 77002